



NEWS RELEASE

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Centerville voters approve income tax increase

Centerville voters on Tuesday approved a 0.5 percent earned income tax increase. The increase will raise the Centerville income tax rate from 1.75 percent to 2.25 percent. The increase will go into effect in January 2017, and is estimated to bring in an additional \$2.2 million to the City's budget. This is the first income tax increase for Centerville taxpayers since 1981.

Council cited ongoing steep State funding cuts as the primary need for the increase. Over the past five years, Centerville has lost close to \$3 million each year; an 89 percent reduction in State funding. These cuts have led to a 20 percent reduction in the City's General Fund and a reduction of 30 staff positions. In 2017, the City will face additional state cuts with the implementation of House Bill 5, which is estimated to result in another \$1 million annual loss.

The increase in the earned income tax rate will primarily affect people who work in the City of Centerville, regardless of where they live. A majority of Centerville residents work outside of the City limits and are already paying a 2.25 percent or higher earned income tax rate to another city, as income tax funds the city where a person is employed. Residents who work in a community without income tax will see the increase on their Centerville tax receipts. Exemptions from the earnings tax include pensions, Social Security, interest, retirement and investment accounts.

Centerville is one of only two cities in the south Dayton suburbs that does not assess for sidewalk, curb or gutter replacement and maintains the second lowest municipal property tax rate of any city in Montgomery County.

All financial reports are available at www.CentervilleOhio.gov.

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